![gvnw CONSULTING]

February 29, 2012

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, D.C. 20554

RE: **Ex parte filing** in CC Docket Nos. 96-45 and 01-92; WC Docket Nos. 03-109, 05-337, 07-135 and 10-90; WT Docket No. 10-208 and GN Docket No. 09-51

Dear Ms. Dortch:

On February 29, Steve Merriam from Arctic Slope Telephone Association Cooperative, Dave Dengel from Copper Valley Telephone Cooperative, Inc., Brenda Shephard from Interior Telephone Company, Inc. and Mukluk Telephone Company, Inc., and I conducted an ex parte meeting with Christine Kurth from Commissioner McDowell's office.

The ex parte meeting started with a discussion of the attached documents related to Transformation Order impacts for the four study areas. The attachments demonstrate significant harm will be caused by the Transformation Order for these Alaska carriers serving some of the highest cost areas in the country. At the end of the transition period, known and measurable changes reduce aggregate ICC and federal USF by over $4.7 million on an annual basis.

We further discussed two specific topics. First, the economic impacts of the quantile regression approach for Copper Valley. Second, we reviewed the satellite connectivity issues for Arctic Slope and Interior/Mukluk by providing a copy of an engineering report that estimates the projected satellite capacity needed to serve TelAlaska customers at the 1 mb/256 kbps satellite target rate.

As required by the Commission's rules, this ex parte record is now filed in the above referenced dockets. If there are any questions, please call me on 503.612.4409.

Respectfully submitted,

Jeffry H. Smith
Vice-President and Division Manager, Western Region
Chairman of the Board of Directors

Copy to

Christine Kurth

Steve Merriam, Arctic Slope Telephone Association Cooperative
Dave Dengel, Copper Valley Telephone Cooperative, Inc.
Brenda Shephard, Interior Telephone Company, Inc. and Mukluk Telephone Company, Inc.

Attachments